

THE KNIGHT CONSOLIDATED POWER COMPANY

The Knight power interests centered around the career of Jesse Knight, beginning with the time he started as a farmer in the fertile valleys of Utah County, and followed by his prospecting days in the hills of the Tintic district. Discovery of rich metal ores led to subsequent ventures in mining, agriculture and power.

His "mother lode" of corporations was the Knight Investment Company from which sprang the power branch of the family tree: The Snake Creek Power Company and the Knight Power Company which will be reviewed, and the Knight Consolidated Power Company.

Business Methods

"Uncle Jesse," as he became affectionately known by some, figuratively had one ledger with two columns, one for the money he took in and one for the money he spent. Details of operation were left to subordinates. He outlined the policies and controlled the purse strings. In attempting a chronological history leading up to and including the Knight Consolidated Power Company a review of each predecessor company will be given but it must be remembered that Mr. Knight acted first and drew up the papers later and the history of his operations may be confusing. For example, it will be recorded that the Knight Power Company took over the Mill Creek Power Company on June 2, 1910 at the time of a consolidation with the Knight Investment power interests but it wasn't until March 30, 1912, that the Mill Creek property was transferred by deed to the Knight interests--months after the Knight Power Company had ceased operation and a month after the Knight Consolidated Power Company was incorporated.

Events Prior To Organization

By January 30, 1912, when the Knight Consolidated Power Company was formed, the Knight power interests had been consolidated into the Knight Power Company. Plants were operating at Santaquin, Snake Creek, Murdock, Upper and Lower Mill Creek and were furnishing power to large users in the Park City and Tintic mining districts, the U. S. Smelter at Midvale, the Salt Lake Pressed Brick Company and the Progress Company, an electric utility, which operated in Salt Lake Valley.

The Utah County Light and Power Company at this time was operating three plants, two in American Fork canyon and one at Alpine. This Company supplied domestic customers at Lehi, American Fork and Pleasant Grove; had branched out to include the large pumping plant near Lehi, had built 42 miles into Tintic, had entered Midvale and Murray and was approaching Salt Lake City with a bid for a franchise.

The Knight interests and the Utah county concern were now both in Tintic and were converging at Midvale and Murray.

Formation Of Knight Consolidated

Discussions of consolidation began in 1911 and late in that year stockholders agreed that the transaction would be mutually beneficial. The merger was effected and a new company was organized January 30, 1912, as the Knight Consolidated Power Company with a capitalization of \$2,000,000 in shares of par value of \$1.00 each.

Jesse Knight became President; Stephen L. Chipman, Vice President. R. E. Allen, John C. Cutler and W. Lester Mangum, Executive Committee; David B. Brinton, John P. Cahoon, Francis M. Lyman, Charles W. Nibley, M. M. Miller, A. J. Evans, James T. Gardiner and John R. Holiday, Directors. A. P. Merrill was General Manager and F. G. Warnich, Secretary and Treasurer.

Rates Adjusted

About the first matter to be settled by the new company was rates. The old Utah County Company had been charging seven cents per KWH for service and a \$12.50 installation charge on meters, which was refunded when the meter was removed. Rates of the Knight Company were higher, starting at ten cents for the first 50 KWH and scaling down to five cents after 300 KWH had been used with a 10 percent discount for prompt payment. Customers of the new concern were notified that the Knight rates would prevail, but that no meter installation charge would be made. This gave rise to some dissatisfaction and the feeling was aggravated in Lehi due to bad voltage conditions which existed on the circuit serving that district.

Competition With Telluride

Upon completion of its system the Knight Consolidated Power Company found the Telluride Power Company its strongest competition and bitter rivalry existed between the two, beginning with L. L. Nunn, head of the Telluride, and Jesse Knight of the Knight property. According to R. E. Allen, associate of Mr. Knight, they were continually trying to "break each other". Mr. Allen recalls that at the time Mr. Knight started in the power business Mr. Nunn visited him and warned that he'd break Knight's power venture.

"Knight sized up Nunn, who was a very small man physically, and said 'you couldn't break me at anything.'

"The enmity that existed between these two leaders was felt throughout the entire organization of the companies and when the Knights were putting a line into the mining areas of Tintic they had to cross the Telluride lines at one point. Naturally the Telluride Company balked at

letting the other company cross. The Knight workmen put up poles on both sides of the Telluride right-of-way and quit work to await further developments. During the night the Telluride workers chopped down the Knight poles after they had received a tip that the poles were on Telluride property. The tip was false. The poles were on Knight land and to avoid trouble in court the Telluride company allowed the cross-over."

The Knight Consolidated Power Company operated as such only ten months. On July 31, 1912 stockholders approved the sale of the Company, and on October 9, 1912, the property was conveyed to the Utah Power Company, who in turn transferred it to the Utah Power & Light Company February 7, 1913.

In the following sections the history of the Knight Consolidated Power Company is explained in chronological order.